

MVAC Minutes for Special Meeting February 9, 2000

A special meeting was held for February as discussed at the January meeting to update development on recent New Century Colorado fleet issues and other concerns relative to fleet expenses. Items discussed included:

- Fleet will be having a rate increase effective March 1, 2000. A follow-up memo will be mailed out. The rate increase will be on the variable side amounting to \$.011/mile across the board for all vehicles.
 - Fuel increased from an average of \$.0457/mile in FY98/99 to \$.0562/mile in FY99/00 for \$.01/mile. The average cost/gallon went from \$.737 to \$.916. There is no decrease in fuel prices expected in the immediate future. Fleet needs to recover for this unexpected expense.
 - Fleet has also been experiencing increases in accident expense. This is due to rising cost of repairs and higher repair costs for newer vehicles. Fleet underrecovered by \$46,175 for 37,712,567 miles traveled this year which amounts to \$.001/mile.
- Maintenance expense on average has held steady from last FY to this FY at \$.064/mile. No change is necessary.
- Fleet handed out mid-year cost reports by agency showing last year's cost/mile to this year's cost/mile and possible change to rates as a forecast for next year's rates. A complete report will be sent out with the rate notification memo.
- The management fee was also discussed. It is currently \$30 per vehicle per month. Fleet discussed the need to raise the fee as indirect expenses are going up. However, NCC has recommended that Fleet retain proceeds from the sale of vehicles at auction and use this money to offset the program expense by way of the management fee. This would benefit every agency by lowering the management fee and facilitate rotation of vehicles between agencies to meet vehicle needs. At this time, Fleet is estimating that the rate could be lowered to somewhere between \$15 and \$20 per vehicle if approved. As soon as Fleet knows more, that information will be provided. ***Recent changes: See attached letter from Larry E. Trujillo, Sr., GSS to Nancy McCallin, OSPB re: Auction fees. Fleet is doing some calculations and will be processing a fee reduction within the next few months.***
- Fleet briefly discussed some items on the table such as replacements and reductions. At this time, OSPB intends to replace 400 vehicles as opposed to the approximately 750 vehicles identified in the original decision item. Fleet prioritized these vehicles by usage code feeling that law enforcement vehicles getting higher annual miles were more important for replacement than low annual mileage campus support vehicles. Additionally, NCC and OSPB are proposing to reduce the fleet by the identified 518 code 5 vehicles from FY99 that traveled less than 12,600 miles and cost more than \$.28/mile to operate. Fleet thought that this number could be around 400 and not 518. Discussion around coding, mission critical, etc. took place. Fleet is working as much as possible to have input to these recommendations and not critically impact agencies. However, Fleet will be in a position of carrying out recommendations should they be approved by the governor. We will keep you updated as developments occur.
- The next meeting is scheduled for March 8, 2000 at 9:30 at Fleet.